DETAILED ACTION

1.   This Office Action incorporates a <u>Reasons For Allowance</u>.

2.   A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after allowance or after an Office action under *Ex Parte Quayle*, 25 USPQ 74, 453 O.G. 213 (Comm'r Pat. 1935). Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, prosecution in this application has been reopened pursuant to 37 CFR 1.114. Applicant's submission filed on 9/18/2009 has been entered.

3.   The application has pending claim(s) 1-3, 5, 7, 9-14, 29-30, 32, 34, 36-41, 56-57 and 92-93.

4.   Applicant's arguments, see page 9, filed 9/18/2009, with respect to claims 1-3, 5, 7, 9-14, 29-30, 32, 34, 36-41, 56-57 and 92-93 have been fully considered and are persuasive. As requested, a second Notice of Allowance over the claims as amended is provided.

REASONS FOR ALLOWANCE

5.   The following is an examiner's statement of reasons for allowance:

Claims 1-3, 5, 7, 9-14, 29-30, 32, 34, 36-41, 56-57 and 92-93 (now renumbered as 1-25, for issue) are allowed.

Independent claim 1 (now renumbered as 1, for issue) respectively recites the limitations of: calculating, by the computing system, for a current one of a plurality of coding units of a particular one of the collections of coefficients, an adaptive threshold, wherein said calculating comprises determining a fractional number, wherein said fractional number comprises a denominator derived from at least a relationship between the overall target bit rate and a total amount of bits used to encode previously-encoded coding units of the source data according to at least the global coding order, and wherein said fractional number comprises a numerator equal to an amount of distortion that would be caused by terminating said encoding of the particular one of the collections of coefficients at the current coding unit or by terminating said encoding of the particular one of the collections of coefficients at a neighboring coding unit of the current coding unit; and terminating, by the computing system, said encoding of the particular one of the collections of coefficients upon determining that a rate-distortion value of the current one of the plurality of coding units is less than the calculated adaptive threshold of the current coding unit. Independent claims 92 and 93 (now renumbered as 12 and 23, for issue) recite similar limitations respectively.

The combination of these features as cited in the claims in combination with the other limitations of the claims are neither disclosed nor suggested by the prior art of record.

The closest reference Taubman ("High Performance Scalable Image Compression with EBCOT" – 2000, as applied in previous Office Action) discloses image compression based on independent embedded block coding with optimized truncation of the embedded bit-streams using rate-distortion. However, Taubman does not teach the limitations cited above.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Conclusion

6.   Any inquiry concerning this communication or earlier communications from the examiner should be directed to Bernard Krasnic whose telephone number is (571) 270-1357. The examiner can normally be reached on Mon-Thur 8:00am-4:00pm and every other Friday 8:00am-3:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Bhavesh Mehta can be reached on (571) 272-7453. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

USPTO Customer Service Representative or access to the automated information

system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Bhavesh M Mehta/
Supervisory Patent Examiner, Art Unit 2624
/Bernard Krasnic/
October 13, 2009